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SUBJECT: UNODC SEEKS FUNDING FOR BURMA OPIUM SURVEYS

1. (SBU) Summary: UNODC-Burma is seeking USG support to help cover a budget shortfall of \$100,000 to complete its ongoing 2006 opium yield survey, as well as additional funding in the amount of \$260,000 to conduct its 2007 survey. These surveys offer the most reliable evidence to measure progress in Burma on eliminating opium poppy cultivation and to verify the impact of cultivation and production bans. USG influence on UN counterdrug efforts in Burma has waned since the Burmese military halted our own joint opium survey and we ceased funding for UNODC programs in ethnic Wa territory. USG support for UNODC's opium surveys can ensure their viability and reassert USG influence in the overall counternarcotics process in Burma. We strongly recommend Washington offer support. End Summary.

2. (U) The UN Office on Drugs and Crime (UNODC) in Burma approached the Embassy seeking funding for its annual opium survey (AD/MYA/02/G43: Illicit Crop Monitoring Programme in Myanmar - ICMP). According to UNODC staff, the organization recently revised its project budget to encompass the current survey already underway (2006) as well as next year's survey (2007).

3. (U) UNODC also revised the ICMP budget to cover an increase in the geographical coverage of its annual survey. In June 2005, leaders of the United Wa State Army (UWSA) implemented an oft-delayed ban on the cultivation of opium poppy. Initial UNODC investigations, conducted during the 2005 opium survey and during several rapid assessment missions in late 2005, revealed that drug traffickers may be attempting to shift cultivation, and production, away from the Wa Special Region 2 to former growing areas elsewhere in Shan State, as well as to new areas in Kachin State and possibly Kayah State.

4. (U) UNODC's revised ICMP project will also include a socio-economic survey in Kokang and Wa areas of Shan State (Special Regions 1 and 2) to study the impact of opium poppy elimination and its sustainability. The UNODC-led "Kokang and Wa Initiative" (KOWI), a separate project, seeks to improve food security and basic social services in forming poppy cultivating areas. UNODC will conduct the survey to support KOWI's NGO and UN partners and to better target assistance.

5. (U) UNODC has conducted annual opium yield surveys in Burma since 2001. In addition to supporting the current survey and the 2007 survey, the ongoing ICMP project (AD/MYA/02/G43) also produced surveys in 2004 and 2005. UNODC jointly carries out the field component of the survey with the GOB's Central Committee for Drugs Abuse Control (CCDAC) and implements the remote sensing component with the Ministry of Forestry.

6. (U) UNODC's revised budget for the overall ICMP program in 2006 and 2007 is \$957,900. According to UNODC staff, the agency seeks U.S. support to cover a \$100,000 shortfall to complete the current opium yield survey and full budget support in the amount of \$260,000 for the 2007 survey. Note: The full project budget for 2006-2007 also includes a \$30,500 component for "improving national capacity" on opium surveys at the GOB's CCDAC and Ministry of Forestry. We do not propose USG support for this component. End Note.

EMBASSY RANGOON RECOMMENDATIONS

7. (SBU) Embassy Rangoon strongly supports USG funding for the UNODC opium yield surveys. The United States conducted its own joint opium yield surveys in 1993, 1995, and annually from 1997-2004. Following the 2004 ouster of former Prime Minister Khin Nyunt, however, the GOB has failed to provide necessary cooperation, so we have not conducted our joint survey for the past two years. Following the unsealing in early 2005 of indictments against UWSA leaders, the USG redirected, and ultimately eliminated, funding for UNODC projects in eastern Shan State. As a result, the United

States, previously UNODC's largest donor in Burma, lost considerable influence on UN counternarcotics efforts.

18. (SBU) In December 2005 Washington analysts presented Rangoon's mini-Dublin Group with findings from the USG's 2005 opium yield survey. The analysts emphasized, however, that the results were based solely on imagery and that the reliability of USG opium yield estimates would erode within two years without the "ground truthing" provided by the field component of the annual U.S.-Burma joint survey. The UNODC and the USG surveys, using different methodologies, had been helpful in reinforcing the validity of each survey's findings.

19. (SBU) The UNODC's opium surveys remain the best way to measure progress in Burma on eliminating opium poppy cultivation and for verifying the impact of self-imposed cultivation bans imposed by various cease-fire and insurgent ethnic groups. USG support can help ensure the viability of UNODC surveys and reassert USG influence in the overall counternarcotics process in Burma. We recommend Washington favorably consider UNODC's request.
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